

COMMITTEE ON FINANCE

May 6, 2003

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest

Report of the Committee on Community Improvement recommending that FY2004 CIP projects be expedited in FY2003 and that the FY2003 CIP be amended to accommodate projects as follows:

- 713703 City Motorized Equipment Replacement (\$2,125,000 Bond, \$504,000 Federal)
- 713803 Major R.O.W. Projects (\$2,120,000 Bond, \$3,080,000 Federal)
- 713903 Municipal Infrastructure Program (\$525,000 Bond, \$100,000 Other)
- 714003 Notre Dame Bridge (\$350,000 Bond)
- 811203 City Space Improvements (\$285,000 Bond)
- 714103 Sewer Infrastructure (\$200,000 Enterprise)
- 511603 Recreation Facility Improvements (\$550,000 Bond, \$912,312 State, \$573,000 Federal and \$107,700 Other)

The Committee also recommends that the FY2004 CIP Resolution be amended as follows:

by deleting projects from Table 4 General Obligation Bonds as follows:

- 510204 Recreation Facility Improvements (\$550,000)
- 711404 City Motorized Equipment Replacement (\$2,125,000)
- 711504 Major R.O.W. Improvement Projects (\$2,120,000)
- 711604 Municipal Infrastructure Program (\$525,000)
- 711704 Notre Dame Bridge (\$350,000)

by reducing projects from Table 4 General Obligation Bonds as follows:

- 810504 City Space Improvements (from \$885,000 to \$600,000)
- changing the total of Table 4 from \$10,100,000 to reflect a new total of \$4,145,000.

by deleting projects from Table 1 – Federal, State, Other Funds as follows:

- 510204 Recreation Facility Improvements (\$912,312 State)

711504 Major R.O.W. Improvement Projects (\$3,080,000 Federal)
710504 Transit Authority (\$504,000 Federal)
changing the total of Table 1 from \$18,232,841 to reflect a new total of \$13,736,529.

by deleting project from Table 5 – Projects financed through Enterprises, Fees, and other Dedicated Sources as follows:

712104 Sewer Infrastructure (\$200,000)
changing the total of Table 5 from \$7,449,000 to reflect a new total of \$7,249,000.

by amending page 2, paragraph 3 of the resolution by deleting the amount of \$18,232,841 and replacing same with \$13,736,529;

by amending page 3, paragraph 1 of the resolution by deleting the amount of \$10,100,000 and replacing same with \$4,145,000;

by amending page 3, paragraph 2 of the resolution by deleting the amount of \$7,449,000 and replacing same with \$7,249,000.

Deputy Clerk Johnson stated before we take this up I would like to address the actions of the CIP and Accounts Committees because they are relating to this project. The Committee on CIP and the Committee on Accounts, Enrollment & Revenue Administration met last evening. In the process of that there were recommendations of bond balances there were going to relate as well to the expedited projects that are on the Board's agenda from a previous report of the CIP Committee. Specifically we are recommending some amendments as a result of the actions of those two Committees and also some changes to some of the items that are on the report that is on the agenda. What we have also done ahead of time is given you a report of the Committees based on the actions they took last evening, which include the Resolutions. I guess the first place to start would be with those reports. What we did is in the first report that attaches all of the CIP projects from 1994 to 2003, that one outlines all of the transfers that are occurring and where they are going to. I will speak only to a couple of the projects. The basis was to try and move projects forward that were going to expend funds quickly into the bond transfer categories and from there create some cash openings to do some other projects that were being recommended as well. I guess at this point to maybe further clarify that I would refer any questions to Mr. MacKenzie or Mr. Clougherty.

Mayor Baines stated I would rather go through these one by one and act on them.

Deputy Clerk Johnson responded the ones that are on the Finance Committee are not contained in the Resolutions but some of them overlap. I think it is easier to take up the bond transfers and then do the corrections to the expedited projects from there. Based on the acceptance of the reports what would happen is the item on this agenda is going to be amended but before you do that I think you need to understand what is contained within the report that we just referred into the Committee. The first Resolution attached to the report that talks about reviewing various bond balances outlines all of the transfers occurring. They are taking items from the first page, A, B, C & D, and they are transferring those to Inner City Terminal-MTA in the amount of \$30,000. My understanding is that this is being done to free up a cash capacity. These Resolutions will be taken up in the future but they need to be understood so that you understand what you are going to do with the next report. If you want, we can back up and talk about what you need to amend on Item 3 and then move into the Resolutions next. The Committee report that is listed as Item 3 on the agenda, if you go down to the Notre Dame Bridge in the first instance it refers to 714003 and that should be a different project number.

Mayor Baines called for a five-minute recess.

Mayor Baines called the meeting back to order.

Mayor Baines stated what we are going to do is go through the expedited projects first and call for a vote on that and then we are going to deal with the bond balance issue. As you know, there are some issues with the IRS that I brought to the Board's attention about five or six weeks ago. There was a joint meeting last night to work that out. We will deal with that issue. There will be recommendations. I think we are now prepared to deal with this in an organized manner. Again, with all due respect to the Clerk there was a lot of information that was pulled together and now we are ready to proceed. I will turn it over to Mr. MacKenzie now and we will deal with just the expedited project issue at this time.

Mr. Robert MacKenzie stated I am going to give a brief comment on the expedited projects and why we have to do this quickly. Mr. Clougherty is here and he is going to give a brief explanation of why we have to review the bond balances and take an action fairly quickly on those bond balances. The expedited projects are projects that we want to get started before July 1 when normally the FY04 CIP would be started. There are projects waiting in the wings and we don't want to miss the summer months of construction. Therefore, on the Finance Committee agenda there are seven projects, which need action. Now in this case a couple of those are tied to some of the bond balance issues so the two items have been tied together and I did want to ask Mr. Clougherty to review the bond balance issue with the Board.

Mr. Clougherty stated the Internal Revenue Code takes the position, and rightfully so, that if you borrow money for a capital project you should spend that money for the intended purpose within a three year period. If you borrow and don't spend the money in a three-year period then you really have the use of their funds for investments and you are making money on your borrowing, which is arbitrage and they will penalize you. The IRS has accelerated its process of going about and conducting audits of selected bond issues so they are going around the country and auditing cities and towns and counties and authorities and looking at what the compliance is with respect to those projects. One of our projects, one of our bond issues was selected as part of this round of the IRS reviews and in going through that we found that there were some projects that really had balances beyond the three year period. At that time, we said let's clean up everything and make sure that going forward everything is done at once because it would make it a lot easier. The object of the exercise was to identify those projects that were approaching or were over the three year period and try to reallocate those dollars to projects that would be spent in the next several months so that the City's exposure to any type of a penalty or arbitrage situation is eliminated. That was the object of the exercise. We met with the committees...or the Mayor first and asked that he coordinate this. We pulled together a meeting of the CIP and Accounts Committees to deal with that and last night we went through the bond balances and came up with recommendations from the CIP staff and the departments on how we were going to deal with these projects. There was a master list of projects that was developed. Some of the projects we decided to just leave alone. They are going to work themselves out in the next several months either because there was some type of contract dispute or there might have been a bankruptcy involved but they have worked themselves out so there are a number of projects we are just going to leave alone. There was another set of projects that we felt had to have the money transferred to something that was going to be spent much more expeditiously, which was about \$1.6 million. In order to accomplish the mutual goals of expediting projects for this year's CIP and complying with the IRS regulations you have a series of actions that are before you tonight that are a little bit complicated and we are going to try to walk you through those so bear with us. We will answer any of your questions as we are going through but that was the object of the exercise.

Mr. MacKenzie stated next I believe we can go directly to the expedited and the Deputy City Clerk can review those projects with some minor modifications.

Deputy Clerk Johnson stated the report that is on the Committee on Finance's agenda with regards to the CIP has a couple of changes to that report based on actions that were taken by the Committee and are proposed to come up later this evening. The first correction I would note is the fourth project down, the Notre Dame Bridge project. The project number actually should be 713203 and the amount based on the motion to amend later will be \$250,000. The second change is further down where it states by reducing projects from Table IV, General

Obligation Bonds as follows there is a project notation of 810504, City Space Improvements. That item actually should be placed under the item just above it "by deleting projects in Table IV" because all of that entire project will be taken up by bond balances and other sources of funds on the other Resolutions that you will take up after this. It would reduce the amount of Table IV to \$3,545,000 from the \$10,100,000 that it initially started out at.

Alderman Wihby stated what happened with the \$10,100,000 to the \$3,545,000.

Deputy Clerk Johnson replied the total of all your General Obligation bonds is reflected on the CIP Resolution for FY2004 right now at \$10,100,000. With the changes being proposed and deleting all of the projects that we are proposing, it reduces that amount down to \$3,545,000. So, Table IV's total is merely changing because you have deleted all of those projects out of your bonds and expedited them into FY2003.

Alderman Wihby asked where do these go. Aren't we spending it?

Mr. MacKenzie answered basically they had been proposed in the FY2004 budget but we have to expedite them so we are putting the money in the FY2003 budget and taking it out of FY2004.

Deputy Clerk Johnson stated on Page 2 a little further down the second to the last item that is listed as part of the report, again, that \$10,100,000 in Paragraph 1 on Page 3 will be changed to \$3,545,000 on the Resolution. That is what is being recommended by the Committee. We would now need a motion to amend this report to those numbers that I have just stated.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard it was voted to amend the report as noted above.

Alderman O'Neil moved to accept the report as amended. Alderman Thibault duly seconded the report.

Alderman Wihby asked so we are amending what we have in front of us.

Deputy Clerk Johnson answered no. Right now all you are dealing with is the Finance Committee agenda itself that has all of those items listed. Just the expedited projects are what we are dealing with right now.

Mayor Baines called for a vote. There being none opposed, the motion carried.

Deputy Clerk Johnson stated I think before we proceed with the rest of the Resolutions because some of those are resulting changes of what is coming up in the other. I think we should now go to that report of the Committee that listed all

of those Resolutions and projects. Bob could go through all of the project listings on the first Resolution and then I will make a couple of notations.

Mr. MacKenzie stated I just want to make sure that we are on the same page. It should say Page 1 of 4 on the Resolution. If I could, I would like to run through the rationale of the Committee in reviewing these. There were a couple of goals. One was to move old bond money into projects that would be spent very quickly. There was also a secondary goal of trying to find some cash money that could be applied particularly toward police cruisers. As I step through each one of these projects I will explain generally what the purpose was. The first one, which is taking old bond monies from four projects – A, B, C and D and putting it towards the Inner City Terminal – MTA. The primary reason for this is that the Board last year allocated cash money to fixing the City bus terminals at the corner of Canal and Granite Street. In this case we would be using old bond money, which would be spent this year on the project but the primary purpose is to free up \$30,000 in cash that can be used towards the police cruisers. That is the rationale on this first project. Item two is the amount necessary to finish the Rines Center. It is also the City project that is going to be the most quickly expended, therefore, the oldest projects are going to be used towards this to avoid some of the arbitrage issues that Mr. Clougherty mentioned. The total of the old projects is four, A-D. Some of those you may recognize – old sanitary landfill money, 1037 Elm Street reconstruction and Riverfront development. That would total \$835,727.31 that would be used for the Rines building.

Alderman Wihby asked Riverfront development was basically money set aside for the Riverwalk.

Mr. MacKenzie answered that is correct.

Alderman Wihby asked how much are we taking away from that project.

Mr. MacKenzie answered there were two projects and I believe the two projects total about \$450,000.

Alderman Wihby asked does that mean that we gave up on the Riverwalk.

Mayor Baines answered I don't think we have given up on it but the bond balances have to be expended. Is that the best way to explain that Kevin or Bob?

Mr. Clougherty replied that is certainly one of the motivations is to move the dollars and have them expended but as far as the project I don't think it has been given up on. We are waiting to see what happens with the baseball proposal and a lot of the other things that are planned down there. There is still some work going on, I believe, with easements and other activities.

Alderman Wihby stated when we had Phase I we said we were going to start and finish the project. We finished Phase I and I guess Phase II is north of Granite or Phase III or whatever and that was going to be planned. Is that planned? Do we have the money to finish the planning at least?

Mr. MacKenzie responded the money is there for the planning. There is not enough money in any budgets to finish that next phase, which is Phase III north of Granite Street. There is clearly not enough money. That is roughly a \$3 million project.

Alderman Wihby asked is the planning still going on.

Mr. MacKenzie responded that I cannot answer. I would have to check with Bruce Thomas at the Highway Department who I think is responsible for that now.

Alderman Guinta stated let's back up a little bit. There is \$3 million for Phase III or \$3 million for Phase II and III?

Mr. MacKenzie responded the cost estimate for Phase III was \$3 million. The total amount available right now is only \$450,000.

Alderman Guinta asked did we bond \$450,000.

Mr. MacKenzie answered yes.

Alderman Guinta asked knowing that the cost estimate was \$3 million.

Mr. MacKenzie answered the Board bonded an amount that was estimated for Phase I, a portion of Phase II and a portion of Phase III. The Board never appropriated more money than that.

Alderman Guinta asked is the total \$450,000 that is unused bond money for the Riverwalk.

Mr. MacKenzie answered yes.

Alderman Guinta stated so I just want to make sure that everyone is clear. We are throwing away \$450,000 of bonded money that was going towards the Riverwalk. We are no longer allocating the money for the Riverwalk. We are reallocating the money for the Rines Center. Now the question I have regarding the Rines Center is the total budget to include the \$835,000 is almost \$3.6 million. How much money...did we bond anything for Rines?

Mr. MacKenzie responded yes. The City bonded \$2.75 million last year.

Alderman Guinta asked and that was our budget.

Mr. MacKenzie answered that was not the budget. It was anticipated that it would be higher than that but it was expected that would at least cover the acquisition plus design plus perhaps some of the improvement work.

Alderman Guinta asked why are we bonding \$2.75 million if we know that the project is going to exceed \$2.75 million.

Mr. MacKenzie answered in that case the Board had committed to doing the project, buying the building and making it happen. The budget numbers were close enough that it was anticipated to happen.

Alderman Guinta replied that doesn't answer my question. There was an anticipation at the time of the vote that it was going to cost \$2.75 million or there was an anticipation at the time of the vote that it was going to cost \$3.6 million.

Mr. MacKenzie responded it was known at the time that it would cost over \$3 million. We didn't have the cost estimates for all of the interior renovations and what would happen with the Health Department and the Emergency Operations Center that was required but the Board was aware at the time that it would cost over \$3 million.

Alderman Guinta asked so the magic number we need now is \$835,000...an additional \$835,000.

Mr. MacKenzie answered yes.

Alderman Guinta stated so we are bonding new monies. Essentially what we are doing is we are expanding a project. Is that fair to say because we bonded \$2.75 million and now we are reallocating \$835,000 so we are expanding the scope of that project?

Mr. MacKenzie responded the scope of the project was to purchase the building and renovate it to meet the needs of the various departments moving in there. The departments included City archives, City Welfare, the Office of Youth Services and City Health. It was clearly anticipated that the building was not set-up certainly for the Health Department, which needs specialized clinics and it was clearly anticipated that the project would be over \$3 million. I know there were discussions on that when we were looking at site locations for the building. We have gone through detailed studies with each of the departments. There are some unusual needs for example for the Health Department in their clinic and other issues and this is the tightest budget we have been able to pin down.

Alderman DeVries stated there are a couple of things I would like to address that were just brought up. One was the Rines Center. I know that I have been involved with Red Robidas and security and much of the additional amount he has brought forward because of the Homeland Security issues with the Health Department and with others. There have been changes to the critical infrastructure needs at the Rines Center. There were security needs that are being addressed now that were not previously planned for and I think that might...if Alderman Guinta had that discussion with Red Robidas he might be able to get some further insight into some of the security issues at that building. In addition, I just want to bring to the attention of all of the Board members because I certainly hope that this Board is not pulling their support of the Riverwalk project in general. I think instead as stated by the Finance Officer we do need to expend projects in the immediate future because of the IRS code enforcement changes. The Riverwalk is currently being studied once again with the I-93 Bypass proposal that is going from Salem to Concord. They are at the State level through DOT and also Planning, which is a private consulting firm and Bob MacKenzie probably knows better than I but they are looking for a way to connect the bike path going through the north end and the Riverwalk, I believe, is the identified area. I think we are going to see some added emphasis come back to the Riverwalk. I don't know how they have finally determined that they would like to carry that bike pedestrian path but I think it will come back and maybe there will be a new source of some funding that will come with it.

Mr. MacKenzie stated I agree with her statements.

Mayor Baines stated I concur with that too.

Alderman Shea asked can we move this question.

Alderman Guinta stated I have some more questions.

Alderman Shea stated we can talk all night about different concerns that we all have. Someone may feel that the Riverwalk is more important than the Rines Center. Someone may feel that something else is more important but we are not going to get too far if we debate everything. There should be a cut-off time. In other words, five minutes or ten minutes or fifteen minutes and then we will vote either way. If those of us favor a certain policy, we can decide. We can discuss this forever and bring up a question for a question for a question's question. It is not going to get us too far so if we keep going the way we are going we are going to be here for a lengthy period of time.

Mayor Baines asked how many Aldermen were here last night with Alderman O'Neil.

Alderman Lopez stated there were nine Aldermen here.

Alderman Wihby stated I am just wondering if there is planning money for the Riverwalk and if we can use that now to go forward.

Mr. MacKenzie responded I do know that there were two small chunks left for planning and design. One was \$40,000, which was needed to match a larger State grant of \$6,000 towards the Riverwalk and the Riverwalk bridge. That will still be in place and there was an additional \$20,000 left that Highway indicated was needed as a commitment towards certain items on the project.

Alderman Wihby asked \$20,000 for the Riverwalk that they needed that they do have still.

Mr. MacKenzie answered yes. There is \$60,000 that is still in that project for specific design work

Alderman Wihby asked so they are still going to move forward with Phase III with the money they have as far as planning goes.

Mr. MacKenzie answered I cannot sit here and tell you that that is true at this point. I prefer that we get a report from the Highway Department.

Alderman Guinta asked, Bob, the purchase price for the Rines Center was \$2.2 million.

Mr. MacKenzie answered the final price was just under \$2.4 million. I believe it was \$2.375 million.

Alderman Guinta asked and renovations were expected to be less than \$1 million correct – closer to \$500,000.

Mr. MacKenzie answered renovations were anticipated to be about \$800,000 at the time.

Alderman Guinta asked \$800,000. This is a concern that I have. There is disagreement on this Board as to the purchase price, as to the renovation price and three or four months ago when we bonded this we had a certain number. Now we are essentially bonding \$835,000 more. We are expanding a project and I have grave concerns about spending taxpayer or bonded money without any real discussion.

Mayor Baines replied I think there has been discussion. Will you proceed, Bob, and go through the cost analysis? I am not aware of any dispute over any costs associated with this.

Mr. MacKenzie stated the only increases that I was aware of from the very initiation was on the order of \$200,000. I did ask the staff to review with the architect what those specifically were. I don't have a list of all \$200,000 but I can give you a sample. One was for the air conditioning of the third floor, which was necessary to protect the City archives that was going to be in there. That was on the order of \$95,000. The boiler was ultimately determined not to be usable or efficient and that, I believe, was \$45,000. Then there was additional security particularly related to the Welfare Department and Homeland Security. There were probably a dozen small projects after that but they raised the project about \$200,000.

Alderman Guinta asked and this was before we bonded or after we bonded.

Mr. MacKenzie answered this has been in the last six months. This was after that initial bond, which was to handle the acquisition, design and a portion of construction.

Alderman Guinta stated I think we need to make a concerted effort before we take a bonding vote to have all of the facts and figures and finances in on a project. I don't think it is fair for this Board to...for a commitment to be made to this Board that a project is a certain amount of money and then six months later exceeding it by almost \$1 million. I don't think that is right. I don't think that is appropriate. I am not necessarily saying that...I think what I am saying is the process needs to change. We need to have 100% of the facts in before we take a bonding vote because what we are doing tonight if this passes is essentially using \$835,000 of old money, of bonded money, into a new project and it is expanding the scope of this project and I don't think that is reasonable. I don't.

Alderman O'Neil stated in support of my colleague from Ward 3, this is the issue and I have brought this up before of having capital projects, specifically building projects, by Committee. We need to have one central agency responsible for all capital projects. To me that is a major concern. We have three projects going on now and I am not sure we have enough money to do all three of them – the senior center, the Rines Center and Derryfield Country Club. They are, for the most part, projects by Committee and not by a central agency that is responsible for capital projects in the City. That has been a concern of mine for a long time and this is another example. I am not critical of the staff. They do the best they can with it but there are too many hands in the pot with too many ideas of what should be done and we need one central agency controlling all of that and working with the departments to make sure that there needs are met. These projects have all gone up in price from the original numbers we had been given.

Mayor Baines responded I was not here for the Committee meeting last night but didn't you go through all of the delineated costs.

Alderman O'Neil stated I am supporting what the Committee did last night but I do agree with Alderman Guinta that unless we get control of these things moving forward not only this Board but future Boards are going to go through the same action.

Mayor Baines stated I agree that there should be centralized control over projects. That is an issue that the Board needs to grapple with once we get beyond this.

Mr. MacKenzie stated just to respond to that we do have a centralized agency that handles projects and that is the Highway Department. In City projects where you have multiple agencies it is more difficult because each department has certain requirements they have to meet. The Health Department certainly has very specialized requirements that have to be met and the Highway Department has been the core department in reviewing projects and will be the ones handling the construction.

Alderman O'Neil responded that is not a true statement because Pam Goucher was the coordinator for the Rines Center. Sam Maranto was the coordinator for the senior center. Ed from Parks & Recreation was the coordinator for the Derryfield Country Club. It is not a true statement to say that Highway is the agency in control of those projects because they are not the agency in control of those projects.

Mr. MacKenzie replied there are issues that are pre-planning issues and then there are development issues. In the pre-planning issues where we have to deal with real estate acquisition sometimes our office takes the lead and sometimes other offices do. Normally the Highway Department gets involved in final design and construction. The pre-plan activities require the work of the Finance Department. It requires the work of the Solicitor's Office and other agencies to get that work done if you are acquiring properties so you do need those agencies to get the work done.

Alderman O'Neil responded it wasn't the Highway Department that put out the procurements for the architects on these projects. It wasn't the Highway Department that put out the procurements for the construction manager or general contractor to bid. They play a role, Highway does, but they are not the procuring agency and that is why I mean by a centralized office...as they do with the schools because they are the procuring agency for all school projects. They work with Finance or with the School District. I do believe that is the only way we are going to get control of some of these projects. I am sorry I brought it up but I thought Alderman Guinta made a very good point on that.

Mayor Baines stated what I would ask the CIP Committee to do in particular is grapple with this issue and get back to the Board with a consensus of how you would like that process to proceed.

Alderman O'Neil stated I do want to go on the record that I support what we did last night to move forward.

Alderman Gatsas asked, Mr. MacKenzie, can you refresh my memory. How many square feet are in the Rines Center?

Mr. MacKenzie answered it is slightly over 33,000 square feet.

Alderman Gatsas stated so we are looking at two projects – the Rines Center for \$3.6 million and the senior center for \$3.6 million. That is \$7.2 million for roughly 48,000 square feet and we could have done the Sears building for around \$6 million with 60,000 square feet. Maybe we need to start taking some control over the way we look at projects because I haven't seen one yet that when we vote on it as a whole that it stays in control. The Rines Center was not supposed to go to \$3.6 million your Honor. That was supposed to be under \$3 million. That is \$500,000 over. The senior center was not supposed to go to \$3.6 million. That was supposed to be under \$3 million. I keep looking at these projects and saying where is the money coming from? We aren't doing our job here being the purse string watchers of the taxpayer's money. We just aren't doing it. Your Honor, you know I am looking at these numbers and I am a little disgusted with it and I don't see you being upset by it at all.

Mayor Baines responded I don't think upset is the right word. These issues all came to the Committees last night. We spent some time in some of the meetings we had trying to deal with the cost issues. There were specific issues related to both projects that have been brought to this Board and outlined why the costs changed. Specifically related to the Rines Center I believe we sat through meetings with the people involved in analyzing the building including the architect and the people from the Highway Department who have gone through and discovered unanticipated costs associated with that project. I think it has been thoroughly explained. It has been brought to the Board. There were nine people here last night who heard all of the discussion about these issues. Yes, I am concerned about the costs. We have sat at meetings and asked people to go back and refine the costs and try to get them down. The meeting that we had just last week in regards to the Rines Center we asked them to go back and look and see if they could pare those costs down. What has come before you now is a recommendation of other professional staff including the people who analyzed the situation with the Rines Center. That is what they are recommending to this Board. Last night the Board decided to endorse that and I support that recommendation.

Alderman Gatsas stated I guess my question is don't say that this Board was aware of a \$3.6 million project because I was never aware of that number until tonight. Let's not say that it was brought to this Board and we were aware of it. We were never aware that there was going to be an overpricing of almost \$1 million. That was never discussed with this Board.

Mayor Baines asked didn't it come to the CIP Committee last night. Wasn't that one of the purposes of the meeting last night?

Alderman Gatsas responded you made the statement that this Board was aware of it.

Mayor Baines replied last night at the CIP Committee.

Alderman Gatsas stated I wasn't at the CIP meeting last night. I was never made aware that...are you telling me that the first time that Mr. MacKenzie knew was last night that that project was going to \$3.6 million?

Mr. MacKenzie responded I was aware of that price tag as of about a week and a half ago. This was after the architect had reviewed with all of the agencies going into the Rines Center. That is when I knew the final price tag. Again, the price tag is roughly \$245,000 more than we had originally anticipated, which is about a 7% increase. The reasons that were suggested by the staff and we did talk to some of the specific agencies about them, were all logical reasons. These deal with Homeland Security. These deal with the emergency operating center. These deal with issues of the boiler and these deal with specialized needs of the Health Department. The specific recommendation of the architect and the department was that that \$245,000 extra had to be found to make the project work correctly.

Alderman Lopez stated I am not going to repeat everything but when we bonded the Rines Center we had to move fast and we bonded the Rines Center. We knew there was going to be an operational cost. There have been letters and I am sure Mr. MacKenzie can produce them to the CIP Committee of the operational costs that it is going to take to renovate that building. In all defense of the Planning staff, they did inform us. I know as a CIP Committee member. I agree that the \$200,000 was sprung on us last night but in order to get what needed to be done up there...I even asked the Director if some of the funds from the grant that he received could do some of these things and he indicated to me that they couldn't. I don't believe it is a surprise to at least some of the Committee members. Thank you.

Alderman DeVries stated I have a question for Bob. The additional amount going into the Rines Center, that is part of the package that is being expedited, correct?

Mr. MacKenzie responded yes it is.

Alderman DeVries asked and the paperwork planning the expedited projects went out to the entire Board for the first time when from your office.

Mr. MacKenzie answered the expedited projects...I think it was two weeks ago. I am not sure when you as the Board received which projects would be expedited.

Alderman DeVries asked so it was about two weeks ago the first time that we saw the additional amount that was being allocated for the Rines Center. It didn't just come up for the first time last night at the CIP?

Mr. MacKenzie answered the Mayor in his proposed CIP was adding \$600,000, which was anticipated all along to be needed for the Rines Center. In January I know it was reviewed with the Mayor. The budget number you see here, \$835,000 is \$245,000 higher than before. The Mayor was not aware of that, I think, until last week. Again, these specific items we have discussed about whether we do the add items as alternates. We can keep the project to the lower level but some of those would not make sense. If we don't replace the boiler now we are going to have constant problems and we are going to have higher energy bills. We could avoid the air conditioning on the third floor. Long-term, our City archives are going to be there and they are not going to be as well preserved. So these items that can be reduced but were recommended by the departments for the best operation of the City would be included in the project.

Mayor Baines asked what do we have to do to get a motion on the floor at this time. What is the proper motion?

Deputy Clerk Johnson answered the next item to do would be...I am going to ask to dispense with the readings and then take a motion that they ought to pass and be enrolled but it will be for all of them, which is back-up documentation to the one you are discussing now.

Mayor Baines asked why don't we do that now.

Deputy Clerk Johnson responded if you want to get a motion to dispense with the readings I will just outline what you are doing.

Resolutions:

“Amending the FY1994, 1995, 1997, 1998, 1999, 2000, 2001, 2002 & 2003 Community Improvement Programs, transferring, authorizing and appropriating funds in the amount of One Million Nine Hundred Thirty Nine Thousand Fifty Nine dollars and Eighty three Cents (\$1,939,059.83) for various CIP Projects.”

“Authorizing the finance Officer to effect a transfer of Twenty Seven Thousand Seven Hundred Twenty Two Dollars (\$27,722.00) for the 2003 CIP 710103, Inner City Terminal – MTA.”

“Authorizing the Finance Officer to effect a transfer of Eight Hundred Thirty Five thousand Seven Hundred Twenty Seven Dollars and Thirty One Cents (\$835,727.31) for the 2002 CIP 811502, Municipal Facility Building Acquisition.”

“Authorizing the Finance Officer to effect a transfer of Eighty Nine Thousand Twenty Six Dollars and Eighty Nine Cents (\$89,027.89) for the 2002 CIP 511502 School Site Improvements Program.”

“Authorizing the Finance Officer to effect a transfer of Eighty Four Thousand Twenty Eight Dollars and Forty Nine Cents (\$84,028.49) for the 2003 CIP 512503, Visitor’s Signage Package.”

“Authorizing the Finance Officer to effect a transfer of Eighty Thousand Dollars (\$80,000.00) for the 2003 CIP 511203 Park Capital Improvement Project.”

“Authorizing the Finance Officer to effect a transfer of One Hundred Thousand Dollars (\$100,000.00) for the 2003 CIP 310203 School Bus Acquisition Replacement Project.”

“Authorizing the Finance Officer to effect a transfer of Fifty three Thousand Eight Hundred Seventy Seven Dollars and Twenty Five cents (\$53,877.25) for the 2003 CIP 713203, Notre Dame/Bridge Street Bridge Repair.”

“Authorizing the Finance Officer to effect a transfer of Three Hundred Forty Three Thousand Dollars (\$343,000.00) for the 2003 CIP 811203, City Space Improvements.”

On motion of Alderman DeVries, duly seconded by Alderman Shea it was voted to dispense with the reading of the Resolutions by title only.

Deputy Clerk Johnson stated the items now that will be up for discussion to be enrolled would be the Amending Resolution, which Bob has been going through and has a couple of more pages to go and also all of the related bond transfer Resolutions that are also attached to this report. They are all bond transfers related to what is being presented in that first Resolution but technically you have to introduce them as separate Resolutions. There are a couple of these Resolutions that we wanted to put additional notations on. It is just technical corrections so I

ask that you accept them with those technical corrections. It is really not changing anything.

Mr. Clougherty stated with respect to what Carol is saying it might be easier to just go through all of it once and then come back and take questions on the specific items. They are somewhat related and I know that last night when Bob went through all of them it seemed to make more sense then if you fracture them up and deal with them individually.

Mr. MacKenzie stated I would like to go back to Page 2 or 4 and look at Item 3. Item 3 is taking eight old bond projects, most of which are school projects, and applying that \$89,000 towards the Clem Lemire complex. Again further on we will see additional monies for Clem Lemire but we are taking these bond projects because we know that that money could be spent within a reasonable timeframe. Again, Finance has recommended that these bond balances be expended in the next six months. So, \$89,000 would be a portion of that project that could be expended fairly quickly. Item 4 is a total of \$343,000 which is being used for two projects. One would be \$313,000 for the senior center and the second would be \$30,000 for what is called Building Energy Efficiency Engineering, which is primarily for the main Library. As you may know, there is no air conditioning there. We would be looking at the Library and perhaps other City buildings to see if we could utilize some energy efficiency type money to put air conditioning in and make any other energy efficiency improvements on that building. On the next page, Item 5, this would be taking the former intersection improvement program and applying that money towards the Notre Dame bridge. Item 6, City Computer System Upgrade, Page 3. \$84,000 would be applied to an existing project for a Visitor Signage Package. Now again just so you are aware of why this is happening, the Visitor Signage Package already exists and it is City Cash money. The attempt in this case was to free up City Cash money as requested by the Committee to apply towards police cruisers. Item 7, Riverfront Development, an \$80,000 bond would be going to the Park Capital Improvement Project, which would be for playground equipment and other improvements at Raco-Theodore Park. Item 8 would be the City Computer Upgrades-Phase III for \$100,000, which would be utilized for school bus acquisition. That was, as we understand it, discussed with the School Board recently. Again, what the Committees and the staff had to do was make sure that bond balances are roughly the same year. Bonds are sold at 5 years, 10 years or 20 years so the balances had to be used towards projects of roughly the same life. On the next page, Item 9, this is where those various projects that we referred to before would be converted into cash totaling \$113,000, which would be applied to police cruisers. Item 10 was we have determined that Hallsville School is now eligible for CDBG money and there are some significant site issues that have to be corrected and that is \$130,000 out of community development block grant program income. Finally, Item 11 is \$80,000 that would come out of development impact fees, which have been collected by developers in the Southeastern portion of the City and that money

would be applied to the bond for the Cohas station. The bond monies that were in that, the \$85,000, have been applied to other projects in here. That is a quick summary of the 11 projects that are recommended for transfers not only to handle bond balances but to create cash for police cruisers.

Deputy Clerk Johnson stated at this point, your Honor, we would look for a motion that the Resolutions as presented before you ought to pass and be enrolled.

Alderman Lopez moved that the Resolutions ought to pass and be enrolled.
Alderman O'Neil duly seconded the motion.

Alderman Guinta stated Item 11...actually first of all what is the total amount that we are transferring.

Mr. MacKenzie responded the total amount that is being transferred is \$1.61 million roughly.

Alderman Guinta stated so we have overbonded \$1.61 million.

Mr. MacKenzie replied there have been projects, the larger ones in some cases where the Board didn't allocate additional money like the Riverwalk, which has not been enough to finish the project. There have been only a select number of projects such as the sanitary landfill which were hard to program in advance based upon what the State was going to tell us. That is the largest single amount - \$550,000 that was in the sanitary landfill. Again, it was difficult to predict back in 1994 how much it would totally cost but we were under mandate by the EPA and DES to do that.

Alderman Guinta stated Item 11, the \$80,000, explain to me where that is...that is not bonded money.

Mr. MacKenzie responded that is not bonded money. That is money that has been collected by private developers under the State development impact fee ordinance to pay for such things as new fire stations and a new school. It does not cover the entire cost. The State has a certain formula that you can apply and that is the amount of money that has been collected in the area of the Cohas station.

Alderman Guinta asked so what are we going to be using that money for. We are still bonding...the initial bond number was \$780,000 or \$700,000? If we have \$80,000 cash that we are putting towards Cohas does that mean that we should be reducing the bond by \$80,000?

Mr. MacKenzie answered the bonded portion would be reduced by \$80,000. It has been recommended that that money be applied towards the Clem Lemire complex

in order to bring that up to a total of \$1.3 million that is necessary to do the first half of the Clem Lemire project.

Alderman Guinta asked are we reducing the amount of money we are spending at Cohas.

Mr. MacKenzie answered no. The total amount stays the same. We are just swapping \$80,000.

Alderman Guinta asked you are taking \$80,000 out of Cohas.

Mr. MacKenzie answered correct.

Alderman Guinta stated we initially bonded \$780,000 for Cohas and we are taking \$80,000 cash out of Cohas and we are still going to bond \$80,000 so we are just...we just increased spending by \$80,000 or do I not have that accurately.

Mr. MacKenzie responded no. The total project cost for Cohas appears to be right on the button. It may be slightly less but they are still wrapping up the project. This is money that has been collected from impact fees that can be used towards the station.

Alderman Guinta stated but it is not going to be.

Mr. MacKenzie responded it is being applied to the project.

Alderman Guinta asked which project.

Mr. MacKenzie answered the Cohas fire station.

Alderman Guinta stated you lost me. I thought it was going to the Clem Lemire project.

Mr. Clougherty stated I think you are right, Alderman. It was \$780,000 to begin with. The original intent was that it would be used with all bonds. Now there are the impact fee dollars that have come in that are available for that at this point in time in the amount of \$80,000 so if you apply the \$80,000 that frees up the \$80,000 worth of bonds that can be transferred to another project. In this case it has been recommended that that go to the Memorial field. So the scale of the size of the project at Cohas stays the same. You are just substituting a different revenue or funding source for it.

Alderman Guinta asked is the size or scale of the Clem Lemire project changing or again did we misunderstand how much money that was going to cost in the first place.

Mr. MacKenzie answered we received our first formal cost estimate at a meeting last week that the Mayor attended. We asked the design team in that case or Parks & Recreation had asked them to do a very detailed cost estimate for Phase I of the project. Phase I of the project is the main phase of the Clem Lemire project. It includes a new track, an interior field and infrastructure improvements in the parking.

Alderman Forest stated on Page 2, #2 and #3, I noticed on #2 Item C you have FY1999 CIP project 5101099, Riverfront Development and also on #3 Item B you have the same 5101099. One is for \$30,000 and the other is for \$12,000. I just want clarification on the two amounts.

Mr. MacKenzie responded in cases where we didn't work that we take a whole old bond balance and apply it to new projects we actually broke it up into pieces so you will see that particular Riverfront project in three pieces that were given to other projects.

Alderman Wihby asked, Bob, what is...Alderman Guinta asked about the \$80,000. If you see it on Item 11 that you took it out of there shouldn't it be somewhere between Item 1 and 10 that you see it again that it is going to Raco-Theodore?

Mr. MacKenzie answered in this case the Clem Lemire project is not being expedited so that is an FY04 project. We have not gotten to the basic part of the FY04 CIP budget yet. We are just dealing with expedited projects and changes here.

Alderman Wihby asked so all of these items that we are talking about are all dealing with adding money to expedited projects.

Mr. MacKenzie answered expedited or other immediate bond balances that have to be utilized. Almost all of these...

Alderman DeVries interjected so the \$80,000 shows up somewhere but not on this page.

Mr. MacKenzie answered correct.

Alderman Wihby asked was the Clem Lemire field in the Mayor's CIP proposal.

Mr. MacKenzie answered it was in the Mayor's proposal but only for \$500,000.

Alderman Wihby asked what is 811203 that is #4. It says City Space Improvements. What is that?

Mr. MacKenzie answered that is actually and perhaps Carol can help me...is the expedited project. 811203 is an expedited City Space Improvement.

Alderman Wihby asked for what.

Mr. MacKenzie answered they are adding the money to the senior center but I can tell you the projects that are within that currently that had to be expedited. If I could get my...

Alderman Wihby interjected so is it fair to say that we are adding \$313,000 to the senior center.

Mr. MacKenzie responded yes but the other projects in that particular pool were not related to the senior center. They were related to security at the main Library and other projects but not the senior center.

Alderman Wihby asked is any of the \$313,000 for the senior center.

Mr. MacKenzie answered that would all be for the senior center.

Alderman Wihby stated so we are taking the money from the Riverfront and revaluation and using \$313,000 to add to the senior center.

Mr. MacKenzie answered that is correct.

Alderman Wihby stated just to move ahead a little, number 6 on the agenda says city space and it is \$285,000. The same number. Are we adding another \$285,000 on top of the \$313,000?

Mayor Baines asked are you back on the Finance Committee agenda.

Alderman Wihby answered yes. Item 6 on that says \$285,000.

Mr. MacKenzie stated let me tell you what the \$285,000 is because that was the basic recommendation in the CIP. The \$235,000 equated to main City fire alarm installation, which was required. That is \$135,000.

Alderman Wihby asked where.

Mr. MacKenzie answered this is in the proposed City Space Improvement. This is the \$285,000 that you are referring to.

Alderman Wihby asked for what building.

Mr. MacKenzie answered for the Library. It is for the fire alarm installation, security measures and other related security issues for a total of \$285,000.

Alderman Wihby asked so the \$285,000 doesn't deal with the senior center.

Mr. MacKenzie answered that is correct.

Alderman Wihby stated so the number that we have is called City Space Improvements but it is for all different projects.

Mr. MacKenzie responded that is correct and then added to that would be another \$343,000 of which \$313,000 would be for the senior center and \$30,000 would be for the air conditioning at the City Library and related energy efficiency improvements to buildings.

Alderman Wihby asked so the \$285,000 would have been the Mayor's number.

Mr. MacKenzie answered that is correct.

Alderman Gatsas stated Mr. MacKenzie there has to be some clearer explanation of why we are bonding \$780,000, moving \$80,000 out of that bonding position to another project and moving \$80,000 from another bond into that same Cohas Brook Fire Station. There has to be a reasonable explanation but I certainly don't understand...why wouldn't we just bond \$700,000?

Mr. MacKenzie responded the original project needed \$780,000. The project is still going to cost \$780,000 plus what was allocated in other years for the Cohas fire station and the fire engine. The project cost is staying the same. What we are doing here is we are able to use impact fee money in the amount of \$80,000 so we are swapping that in and then we have \$80,000 in bond capacity that we can use for other projects. It was the recommendation of the Committee that we use that \$80,000 in extra bonding capacity for the Clem Lemire complex.

Alderman Gatsas stated the \$80,000 in impact fees is cash.

Mr. MacKenzie replied yes.

Alderman Gatsas asked what else can those impact fees be used for.

Mr. MacKenzie answered pursuant to State law they can only be used for the purposes they were collected for. In this case that money can only be used for a fire station somewhere in the Southeastern portion of the City. In this case the Cohas station and only for capital purposes.

Alderman Gatsas asked only for capital purposes.

Mr. MacKenzie answered correct.

Alderman Gatsas asked so why would we use the replacement of bonding debt when we can use that \$80,000 at that station for other things that we are going to man it for if we need the cash.

Mr. MacKenzie answered again pursuant to State law you cannot use impact fees for any operational costs and you cannot use them to upgrade a fire station that is already existing. You have to use it for new capacity, which means either a new station or an additional fire truck. In this case, the money has been collected from a variety of private developers and we have to be very careful to follow that State law. The money is collected and it is cash but it can only be used towards new capital projects.

Mayor Baines stated I am going to call for a vote.

Alderman Wihby asked what are we voting on.

Deputy Clerk Johnson stated you are in Finance Committee right now so the motion on the floor is ought to pass and be enrolled; the motion having been made by Alderman Lopez and seconded by Alderman O'Neil. There would be one more vote at the Board level later on. We accepted the report at the Board level for referral to the Committee on Finance. Right now the motion is ought to pass and be enrolled for all of the Resolutions that are attached to that report.

Alderman Wihby asked the items numbered 1-12 and these are all expedited projects.

Mr. MacKenzie answered they are all either expedited or being put into the current FY03 budget in order to expend the bond balance.

Alderman Wihby asked does this change the number that the Mayor had for the CIP that would affect the tax rate.

Mr. MacKenzie answered not to any large extent. There is actually a slight drop in the total bonded in the FY04 budget because of the bond balances.

Mayor Baines called for a vote on the motion that the Resolutions ought to pass and be enrolled. The motion carried with Alderman Osborne, Wihby, Gatsas, and Pinard being duly recorded in opposition to Item 4 of the first resolution listed, and Alderman Guinta being duly recorded in opposition to all of the Resolutions.

Deputy Clerk Johnson stated the next item would be to go back to your Finance agenda and you are going to move to Item 4.

Resolution:

"Approving the Community Improvement Program for 2004,
Raising and Appropriating Monies Therefore, and Authorizing
Implementation of Said Program."

On motion of Alderman Pinard, duly seconded by Alderman Shea it was voted to read the Resolution by title only, and it was so done.

Deputy Clerk Johnson stated the reason this is on the agenda is merely to amend it to what the Committee report is on Item 3 that the Board accepted. Those are all of the amendments that you are making to this Resolution.

Amendments proposed to the Resolution were:

delete projects from Table 4 General Obligation Bonds as follows:

510204	Recreation Facility Improvements (\$550,000)
711404	City Motorized Equipment Replacement (\$2,125,000)
711504	Major R.O.W. Improvement Projects (\$2,120,000)
711604	Municipal Infrastructure Program (\$525,000)
711704	Notre Dame Bridge (\$350,000)
810504	City Space Improvements (\$885,000)

changing the total of Table 4 from \$10,100,000 to reflect a new total of \$3,545,000.

delete projects from Table 1 – Federal, State, Other Funds as follows:

510204	Recreation Facility Improvements (\$912,312 State)
711504	Major R.O.W. Improvement Projects (\$3,080,000 Federal)
710504	Transit Authority (\$504,000 Federal)

changing the total of Table 1 from \$18,232,841 to reflect a new total of \$13,736,529.

delete project from Table 5 – Projects financed through Enterprises,
Fees, and other Dedicated Sources as follows:

712104	Sewer Infrastructure (\$200,000)
--------	----------------------------------

changing the total of Table 5 from \$7,449,000 to reflect a new total of \$7,249,000.

amend page 2, paragraph 3 of the resolution by deleting the amount of
\$18,232,841 and replacing same with \$13,736,529;

amend page 3, paragraph 1 of the resolution by deleting the amount of
\$10,100,000 and replacing same with \$3,545,000;

amend page 3, paragraph 2 of the resolution by deleting the amount of \$7,449,000 and replacing same with \$7,249,000.

Alderman Shea moved to so amend the Resolution. Alderman DeVries duly seconded the motion.

Alderman Wihby asked so by moving this today is this the vote for the CIP budget.

Deputy Clerk Johnson answered no. Right now you are just amending the CIP Resolution to reflect the removal of all of your expedited projects. There will be further actions by the Committee at a later date.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Deputy Clerk Johnson stated we can now move to Item 5, but we do have changes to that item once we get it read by title only.

Amending Resolution:

“Amending the FY2003 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Eleven Million Four Hundred Thirty Four Thousand Twelve Dollars (\$11,434,012) to provide for expediting of various FY2004 proposed CIP projects.”

On motion of Alderman Pinard, duly seconded by Alderman Sysyn, it was voted that the Amending Resolution be read by title only, and it was so done.

Deputy Clerk Johnson stated we did distribute to the Board a substitute Resolution for this item, which would propose to reduce the Resolution to \$11,084,012. Basically what we have done is removed an item from it based on the previous action that you have taken.

On motion of Alderman Lopez, duly seconded by Alderman Garrity, it was voted to amend the Resolution as substituted to the amount of \$11,084,012.

Alderman Lopez moved that the Resolution ought to pass and be Enrolled as amended. Alderman Garrity duly seconded the motion.

Alderman Wihby asked is the number for the senior center included in this.

Deputy Clerk Johnson answered the \$11 million is showing on the substitute Resolution. It is going to Recreational Facilities, City Motorized Equipment, Right-of-Way Improvements, Municipal Infrastructure, Sewer Infrastructure, City Space Improvements in the amount of \$285,000 so the \$285,000 does not deal with the senior center. It is the other items that were listed.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Deputy Clerk Johnson stated you can move to Item 6. We are going to have some changes on these.

Bond Resolutions:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Fifty Thousand Dollars (\$550,000) for the 2003 CIP 511603, Recreation Facility Improvements (Leveraged) Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million One Hundred Twenty Five Thousand Dollars (\$2,125,000) for the 2003 CIP 713703, City Motorized Equipment Replacement Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Million One Hundred Twenty Thousand Dollars (\$2,120,000) for the 2003 CIP 713803, Major R.O.W. Improvement Projects.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Hundred Twenty Five Thousand Dollars (\$525,000) for the 2003 CIP 713903, Municipal Infrastructure Program.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) for the 2003 CIP 714003, Notre Dame Bridge Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Eighty Five Thousand Dollars (\$285,000) for the 2003 CIP 811203, City Space Improvements Project.”

On motion of Alderman Wihby, duly seconded by Alderman Thibault, it was voted to dispense with the readings by title only.

Deputy Clerk Johnson noted that the second to the last Resolution that is listed should reflect 713203 as a project number and we would want a motion to amend that Resolution to \$250,000.

On motion of Alderman Wihby, duly seconded by Alderman Sysyn, it was voted to amend Notre Dame Bridge Project Resolution to reflect a project number of 713203 and reduce the amount to \$250,000.

Alderman Wihby moved that the Bond Resolutions ought to pass and lay over, the Notre Dame Bridge Project Resolution to pass and lay over as amended. Alderman O'Neil duly seconded the motion.

Alderman Wihby stated the sheet that we have says "Amending FY2003". It is one sheet that looks like Item 6 on the agenda. Is that true?

Deputy Clerk Johnson responded yes. That is amending the CIP and these are Bond Resolutions that are authorizing the issuance of the bonds, which will lay over at the Board.

Alderman Wihby asked didn't we just do this.

Deputy Clerk Johnson answered no. You amended the CIP to allow for the capacity.

Alderman Wihby asked that was in Item 5.

Deputy Clerk Johnson answered that was in the one that we just did.

Alderman Wihby asked but it is the same number as Item 6.

Deputy Clerk Johnson answered right - \$285,000. Is that what you are referring to?

Alderman Wihby asked why did we have to do both.

Deputy Clerk Johnson answered because one is amending the CIP Resolution to allow the project to occur and the other is actually to authorize the bonds to be issued. One authorizes the Finance Officer to do something, to put money in essence into the project that you have approved.

Alderman Wihby asked so where is the Notre Dame Bridge on here. On Item 5 there is no Notre Dame on it? There is an extra \$200,000, Sewer Infrastructure that is not on Item 6.

Deputy Clerk Johnson responded the sewer is not a bond. It is Enterprise funds so you don't need a bond for that. I think the Notre Dame Bridge is listed on the other report that Mr. MacKenzie went through with you. It was placed in the previous Resolution that we just adopted that was attached to the Committee report if you go back to that item. It is listed on there. If you go back to that, there was a listing on there that reflected a \$250,000 bond for...it is on Page 3 or 4 of that Resolution that Bob walked through earlier. It is showing a bond balance of \$53,000. It is also showing the \$250,000 bond on there. That is where they had...

Alderman Wihby interjected are you on the Finance agenda.

Deputy Clerk Johnson stated no it is the CIP report that was handed out.

Alderman Wihby stated what I don't understand is inside #5 in the Finance Committee agenda there is a Resolution that has Notre Dame for \$350,000.

Deputy Clerk Johnson responded we deleted that from that Resolution.

Alderman Wihby replied okay then we had a substitute amendment and dropped out the \$350,000.

Deputy Clerk Johnson stated the project bonding portion was \$250,000 and we reflected it with all of the other items for that project on that earlier Resolution that they walked through. You are right. You are still bonding \$250,000 for it and it is in the CIP FY03 according...it was actually adding the bonding and it doesn't state that on the other Resolution.

Alderman Wihby asked did we do it.

Deputy Clerk Johnson answered the short answer is yes.

Mayor Baines called for a vote on the motion that the Bond Resolutions ought to pass and lay over as amended. There being none opposed, the motion carried.

Deputy Clerk Johnson advised that there were Resolutions attached to the reports of the Committees on Community Improvement and Accounts, Enrollment and Revenue Administration relating to the Bond Balances and the Water Works projects referred to the Committee.

Resolution:

“Amending the 2003 Community Improvement Program to change the purpose of 713103 WTP Process Improvements Project so as to allow for Manchester Water Works Water Distribution System Improvements.”

On motion of Alderman O’Neil, duly seconded by Alderman DeVries, it was voted to dispense with the reading by title only.

On motion of Alderman O’Neil, duly seconded by Alderman DeVries, it was voted to recommend that the Resolution ought to pass and be Enrolled.

There being no further business to come before the Committee, on motion of Alderman Lopez, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

City Clerk